



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

Order Instituting Investigation to Consider Policies to Achieve the Commission's Conservation Objectives for Class A Water Utilities.

Investigation 07-09-022
(Filed January 11, 2007)

In the Matter of the Application of Golden State Water Company (U 133 E) for Authority to Implement Changes in Ratesetting Mechanisms and Reallocation of Rates.

Application 06-09-006
(Filed September 6, 2006)

Application of California Water Service Company (U 60 W), a California Corporation, requesting an order from the California Public Utilities Commission Authorizing Applicant to Establish a Water Revenue Balancing Account, a Conservation Memorandum Account, and Implement Increasing Block Rates.

Application 06-10-026
(Filed October 23, 2006)

Application of Park Water Company (U 314 W) for Authority to Implement a Water Revenue Adjustment Mechanism, Increasing Block Rate Design and a Conservation Memorandum Account.

Application 06-11-009
(Filed November 20, 2006)

Application of Suburban Water Systems (U 339 W) for Authorization to Implement a Low Income Assistance Program, an Increasing Block Rate Design, and a Water Revenue Adjustment Mechanism.

Application 06-11-010
(Filed November 22, 2006)

Application of San Jose Water Company U 168 W) for an Order Approving its Proposal to Implement the Objectives of the Water Action Plan.

Application 07-03-019
(Filed March 19, 2007)

LATE-FILED NOTICE OF EX PARTE COMMUNICATION

Francis S. Ferraro, Vice President
CALIFORNIA WATER SERVICE COMPANY
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Dated February 19, 2008

LATE-FILED NOTICE OF EXPARTE COMMUNICATION

Pursuant to Rule 8.3 of the Commission's Rules of Practice and Procedure, California Water Service Company (Cal Water) gives notice of an Ex Parte Communication initiated by Cal Water and the Division of Ratepayer Advocates¹.

Stan Ferraro, representing Cal Water, and Diana Brooks and Tatiana Olea representing DRA met with Lester Wong, Commissioner Peevey's Water Advisor, at the Commission's San Francisco Office on February 11, 2008, at 4:00 p.m. The communication was oral and addressed adoption of conservation rates for Cal Water's non-residential customers. Cal Water and DRA representatives discussed their filed comments, which addressed the concerns expressed in ALJ Grau's PD that led to the rejection of the Cal Water/DRA/TURN Settlement's recommended conservation rates for non-residential customers. Additionally, the representatives addressed the need to establish conservation price signals for all customers and that the Settlement's recommended non-residential rates will increase the volumetric charge for all non-residential customers. Also, while non-residential customers with large meters in certain districts may experience a lesser percentage increase in the volumetric charge than non-residential customers with smaller meters, the larger metered customers typically use significantly more water. A lesser percentage increase for large volume users is consistent with the shift in fixed cost recovery from the meter charge to the quantity charge that is proposed for non-residential customers. Finally, since the Settlement recommends a pilot program that will be reviewed in Cal Water's 2009 general rate application, the representatives stated that it is important to start water conservation rates now and implement the Water Action Plan water conservation objective. All customers need to experience conservation price signals to provide customer usage data that can be evaluated in Cal Water's next rate case.

¹ This notice is two days late due to an administrative oversight by Cal Water. The two-day delay in filing this ex parte notice does not prejudice the interests of any party to the proceeding.

All communications were verbal. No written material was distributed at the meeting. In accordance with Rule 1.10, Cal Water is serving this notice electronically to all parties in A.07-07-001 today.

Dated February 19, 2008

Respectfully Submitted,

/s/ Francis S. Ferraro
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS DAY SERVED COPIES OF CALIFORNIA WATER SERVICE COMPANY'S LATE-FILED NOTICE OF EX PARTE COMMUNICATION

by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[X] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on **February 19, 2008** at San Jose, California.

/s/ Thomas F. Smegal

Thomas F. Smegal

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

ELECTRONIC SERVICE LIST FOR I.07-01-022,et.al. (Last Updated January 25, 2008)

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**ELECTRONIC SERVICE LIST
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**U.S. Mail Service List (Those not
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